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PRIORITY

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(Security Classification)

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714.00/7-754
F790004-1036

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 5 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — July 7, 1954 DATE

REF : None

(66)

24 For Dept. Use Only	ACTION	DEPT.	OC/R-2 S/S-2 G-1 S/P-1 C-1
	REC'D 7/10	INFO OTHER	UNA-4 R-1

SUBJECT: Memorandum of Negotiations Leading to Signing of Pact of San Salvador, July 2, 1954

In accordance with telephonic instructions from Assistant Secretary HOLLAND, I left Guatemala for El Salvador with Col. BATTEN, Chief of the U.S. Air Force Mission in Guatemala, and Harold E. URIST, Public Affairs Officer, in the Air Mission plane at 11:30 a.m. July 1. We took along a number of U.S. news correspondents and representatives of each of the five Guatemalan independent newspapers. Upon our arrival in San Salvador at 12:15 p.m. I was met by the Chief of Protocol, Ambassador Antonio ALVAREZ Vidaurre, representing the Salvadoran Government.

Ambassador Alvarez drove me to the Palace, where Ambassador Michael McDERMOTT and Counselor of Embassy Andrew E. DONOVAN were waiting. I was presented at 1:30 p.m. to President OSORIO. Also present during the interview were Sr. PERALTA, President of the Salvadoran Assembly, who was to be President Osorio's personal representative during the negotiations, Ambassador McDermott, Mr. Donovan, and Mr. Urist, who served as interpreter. We had barely exchanged greetings when I received a telephone call in the President's private office from Secretary of State DULLES, who emphasized the importance of bringing the negotiations to a satisfactory conclusion and that, if it were necessary, I was authorized to "crack some heads together".

President Osorio told me that the negotiations between Colonels Elfego MONZON and Carlos CASTILLO Armas had been carried on until 4 a.m. that morning (they had begun the evening of June 30), but that the two men were as far apart as when they met. He said Col. Monzón would not give an inch and that in his opinion Col. Castillo Armas should be the President of the Military Junta which was ruling Guatemala, and that if I could bring them together, I was a better man than he. I mentioned to him my conversation with Secretary Dulles and emphasized the deep concern of my Government with regard to the situation in Guatemala and how important it was that the two sides be brought to a satisfactory understanding and agreement. I said I was going to do everything in my power to resolve the basic differences and take the two colonels back to Guatemala with me and the other diplomatic advisers who had lent their good offices. I then told President Osorio that I desired to meet privately first with Colonel Castillo Armas and then with Colonel Monzón. This was immediately arranged, and at 2 p.m. I met with Colonel Castillo Armas in one of the reception rooms, with only Mr. Urist present.

DC/R Central Files 714.00/7-754

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ACTION COPY — DEPARTMENT OF STATE

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I told Col. Castillo Armas that I was sorry to hear that there had been some difficulties between him and Col. Monzón in reaching an understanding, that I believed this was the time for true patriots to put aside personal ambitions and interests and work together for the good of Guatemala. The basic and common aims of both sides, I sa[id] should be the total eradication of Communism from the country and the restoratio[n] peace and tranquility. The colonel was in absolute agreement. I said I co[uld] no reason for a divergence of opinion between him and Col. Monzón, since I [be]lieved Col. Monzón also to be a sincere Guatemalan whose only interest was the welfare of his country. I pleaded with Col. Castillo Armas to leave the details of the future government and the question of who would be president of Guatemala to a time when representatives of both groups could sit down over a conference table in Guatemala and thrash out their differences. I repeated that this was not the moment to preoccupy themselves with details and programs, but that the important thing was to agree immediately on common aspirations for the good of their country and return together, arm in arm, to Guatemala, where the people were waiting to receive them. I suggested that both armies be joined together and march into the capital as one, as brother Guatemalans. Col. Castillo Armas said again he was in complete agreement. However, he believed Col. Monzón wanted to be president of the Junta, and that his military colleagues, after their long battle and sacrifices, would not accept it. I then told him I was going to speak with absolute frankness. "You know, and I know," I told him, "how the American people feel about you. Many American people think you should be the president of Guatemala, and some time in the not-too-distant future, say six months from now, you should hold free and democratic elections, and I personally will do all in my power to help you. For the present, I think you should be taken into the Junta. And, confidentially, I'll tell you something else. Col. CRUZ Salazar (one of the three members of the Junta) told me that he was on your side, so you should have no problem at all." He seemed to be pleased and reassured by these last statements.

We completed our conversation at 2:30. I told him I was now going to see Col. Monzón and that I thought the two colonels and the diplomatic advisors should meet as a group at about 4:30 to clarify any remaining details which might need discussion.

I then met with Col. Monzón. He reiterated previous statements made to me, declaring that he was interested only in restoring peace and tranquility to Guatemala, that he had no personal ambition with regard to the presidency of Guatemala, and that, if necessary, he would be happy to sign a statement to that effect. The only point on which he was adamant was that he wanted to save the honor of the Guatemalan army. He said, quite logically, in my opinion, that since he had been appointed chief of the Military Junta by the army staff, he would have to return to Guatemala in the same capacity. He was in complete agreement with the idea of an immediate accord with Col. Castillo Armas on general objectives. He said he would be happy to accept Col. Castillo Armas in the Junta, and that after they had returned with me to Guatemala the Junta could elect Castillo Armas president.

I asked Col. Monzón if there were any immediate problems he felt needed discussion. He said the only serious problem was getting food to the Government troops

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in the field, and he hoped Castillo Armas would give immediate permission for supplies to be dropped. We terminated our discussion at 3 o'clock.

I then informed President Osorio of our discussions without going into detail, and told him I would return at 4:30 p.m. to meet with the two colonels and the other three advisers.

After luncheon at Ambassador McDermott's residence, I returned shortly before 5 p.m. to the Palace and met with the group participating in the negotiations.

I led off the discussions with a resumé of the principal objectives both parties should take into consideration before they went into detailed negotiations. This was a re-statement of my introductions to the talks held with the two colonels. The entire group agreed. Col. Castillo Armas, however, who had meanwhile been talking with his legal advisers (Lic. Juan CORDOVA Cerna, Lic. Luis Alberto CORONADO Lira, Lic. Carlos SALAZAR, hijo), brought up the question of the number of members in the Junta. He pointed out that if only he joined the Junta there would be a preponderance of members representing the other side. He said that he would like, therefore, to include another person representing his forces and proposed the name of Major Enrique OLIVA, who, in his opinion, was one of the most capable and hard-working professional military men in Guatemala. He said Major Oliva had no political ambitions and would be a valuable asset to the Junta. Col. Monzón accepted this proposal without reservation. One of the advisers then pointed out that there would still be three against two. The Papal Nuncio offered as a solution the possibility of having a Junta of six members, three for each side. This point was discussed for some time, but was finally dropped when it was agreed that 1) three members on each side could easily lead to a stalemate when voting takes place, and 2) a Junta with six members was really too large and unwieldy.

The advisers all agreed with me that on the details of the future administration of the country all should be left until the two colonels had returned to Guatemala and were able to sit down with the other members of the Junta to work out their problems together. The entire arrangement seemed satisfactory to both parties and to the diplomatic advisers, and the meeting was terminated at 6 p.m. so that the two colonels and their legal advisers could meet alone to draw up a statement of their common decision. Meanwhile, the diplomatic advisers retired to a nearby room to be available at any time for consultation.

From that moment until midnight we held individual and group meetings. Castillo Armas' advisers were apparently in disagreement with the colonel and felt that any document signed by him should be ad referendum. He could then return to his headquarters in Chiquimula to obtain the approval of his staff officers. I fought strongly against this, reviewing once again the importance of arriving at a general agreement then and there, because I felt that if Castillo Armas needed the approval of his staff, it would be only just that Col. Monzón would also have to obtain the acquiescence of the two other Junta members in Guatemala, thereby losing the opportunity the create the maximum psychological impact which could be expected from their immediate return together. I was finally forced to talk with Castillo Armas alone and ask him point blank whether he was the chief of his "outfit", since every

time he agreed on a point he subsequently changed his decision after conferring with his advisers. I told him that if he was not the top man in his organization, I would appreciate his telling me who was, so that I could deal with that person.

I believe this question was the turning point of the negotiations, and Castill Armas and his advisers accepted Monzón's concession that within fifteen days after the signing of the pact he would agree to the election of a new Junta president. Without actually stating it, the implication was that Castillo Armas would be elected.

From midnight when the two sides finally arrived at an agreement on the basic points, the legal advisers spent their time conferring and arguing on the format and wording of the pact, and at 4 a.m. the document was finally completed.

About 3 a.m., while I was awaiting the completion of the first draft of the pact, I was visited by the Nicaraguan Ambassador to El Salvador, Sr. Carlos DUQUE Estrada, who said he brought an urgent message from President SOMOZA. He said that President Somoza wished to advise me that in view of the "breakdown" in negotiations between Castillo Armas and Monzón, he urged the entire negotiation party to come to Managua as his guests to continue their discussions there. If this were not feasibl he said, then he strongly advised that Col. Castillo Armas be made president of Guatemala, and that Col. Monzón be made Minister of Defense. He mentioned several other Cabinet appointments, which I do not recall. I thanked Ambassador Duque in the name of my Government and asked him to convey my expressions of gratitude to President Somoza. I told him, however, that it now appeared that the two sides were arriving at a satisfactory agreement and that I did not believe it would be necessary to trouble President Somoza with any of the negotiations.

Meamwhile, preparations had been made for a formal ceremony in the large banquet room of the Palace, and for the proceedings to be broadcast by radio. The entire press, both national and international, who had also been up all night awaiting the historic moment, were allowed to witness the event and take photographs. The pact was signed by the two colonels; Sr. Carlos AZÚCAR Chávez, acting Foreign Minister in the absence of Sr. Peralta who had meamwhile become "indisposed" because of alcoholic excesses; the Papal Nuncio, and Col. Funes. I suggested to the members of the negotiating group that the name of the representative of the United States of America be omitted from the document, thus giving the Salvadoran Government recognition as the principal mediator. Actually, Sr. Peralta had disappeared shortly after the general negotiations meeting had ended at 6 p.m., and I did not see either him or President Osorio again until the following day.

I went immediately to the United States Embassy with Ambassador McDermott in order to send the following wire to the Department:

"HOLLAND FROM PEURIFOY. PACT BETWEEN ARMAS AND MONZON SIGNED FIVE A.M. TODAY. BOTH RETURN WITH ME TO GUATEMALA 11:30 A.M. (Friday, July 2). JUNTA INCREASED TO FIVE MEMBERS. MONZON REMAINS PRESIDENT FOR TWO WEEKS AT WHICH TIME MEMBERS VOTE FOR NEW PRESIDENT. ELECTION PROMISED SOON AS PRACTICABLE AFTER PEACE AND TRANQUILITY RESTORED."

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I then returned to Ambassador McDermott's residence at 6:45 a.m., intending to make preparations for departure at 11 a.m. with the two colonels and their advisers, since this had been the agreement made with them. Col. Castillo Armas, when he agreed to return with me to Guatemala, had explained that he was going to leave at 6 a.m., shortly after signing the pact, for Chiquimula in order to give orders to his troops and, I assume, to report to his staff on what had taken place in San Salvador. He had assured me that he would return to San Salvador in time to take off at 11 a.m. However, when I called him to verify the hour of departure, I was informed that he and members of his staff had left for Chiquimula and Honduras but had not stated when they would return. I was finally able to locate Col. Castillo Armas' principal legal adviser, Lic. Juan Córdova Cerna, who told me that he regretted that Col. Castillo Armas could not return by 11 a.m. as planned, that he had to visit both Chiquimula and Tegucigalpa for "very personal reasons", and that he would either return that afternoon or the following morning.

After conferring once more by telephone with Mr. Holland, who believed as I did that it was important for the two colonels to return to Guatemala together, I alerted Col. Monzón and his party and ordered Col. Vernon P. Martin, Embassy Air Attaché, to have his crew stand by. When Col. Castillo Armas did not return that day, I made plans to take off the following morning, July 3, at 11 a.m.

The following morning, before going to the airport, I called on President Osorio to thank him in the name of my Government for his magnificent hospitality and for the significant role he had played in bringing to a satisfactory conclusion the important negotiations which would bring peace and order to the sister republic of Guatemala. He in turn expressed his satisfaction at the results of the negotiations and asked me to convey to the Government of the United States his appreciation of the part played by my country in this important Central American event. He then presented me with a medallion commemorating the Lempa River hydro-electric plant at Chorrera del Guayabo, and a special set of commemorative postage stamps as a token of his personal esteem and appreciation.

Col. Castillo Armas arrived in San Salvador about 10 a.m. and also visited the Palace to confer with President Osorio. He and his party finally arrived at the airport about 12:20 p.m. and we took off in the Air Attaché's plane at 12:43. Accompanying me on the return trip were Colonels Castillo Armas and Monzón; Col. Miguel Ángel MENDOZA, officer of the Castillo Armas air force; Major ARRIAGA, as personal aide to Col. Monzón; Major Enrique Oliva, one of the two new members of the Junta; Licenciados Juan IBARRA and Eduardo CÁCERES Lehmhoff, legal advisers to Col. Monzón; Lic. Luis Alberto Coronado Lira, legal adviser to Col. Castillo Armas; the Papal Nuncio; Ambassador Funes, and Mr. Urist. Arrangements had meanwhile been made for nine planes of various types, representing both the regular army and the Castillo Armas forces, to accompany our plane in a formation flight over Guatemala City before landing at Aurora Airport. We landed at 1:30 p.m.

John E. Peurifoy

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Department of State

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Action
ARA

Central: 2371
Rec'd: July 7, 1954
12:50 a.m.

FROM: Guatemala City

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TO: Secretary of State

NO: 31, July 6

Carlos Salazar, new Guatemalan Foreign Minister, today addressed note to me asking I inform US Government that in accord with pact signed in San Salvador July 2, peace, internal order and national harmony have been reestablished in Guatemala and Junta composed of Colonels Monzon, Lt. Colonels Castillo Armas, Cruz Salazar, and DuBois and Major Oliva has assumed power.

Note then states it is firm intention of Junta to maintain and strengthen traditional ties of cordial friendship which have always united Government and people of Guatemala with Government and people of US, note makes no mention intention to carry out international obligations.

PEURIFOY

ECC:FBH/8

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1/30/78 740332

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(Security Classification)

FOREIGN SERVICE DESPATCH

F790004-1042

FROM : AMEMBASSY GUATEMALA · 7 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. July 8, 1954 DATE

REF : Embtels 31, July 6, 42 July 7

JUL 9 1954

For Dept. Use Only	ACTION	DEPT.
	ARA-4	INFO OC/R-2 OLI-6 L-2 UNA-4 P-1
	RECD 7/12	OTHER CIA-7 OSO-4 ARMY-4 NAVY-3 AIR-1

SUBJECT: Transmitting Guatemalan Foreign Office Notes Concerning Government Junta.

This document released to public per Chrman ARA 113078 740332

With reference to the Embassy's telegrams cited above, there are enclosed herewith the Spanish texts and informal translations of notes received on July 6 and July 7 from the Guatemalan Foreign Minister, Sr. Carlos SALAZAR Gitica. The first of these notes requests that the United States Government be informed that in accordance with a Pact concluded in San Salvador on July 2, 1954, order has been restored to Guatemala and that a five-member Government Junta presided over by Colonel Elfego H. MONZON has assumed power. The note sets forth the intention of that Government to maintain and further the friendly relations between the United States and Guatemala.

The later note sets forth the Guatemalan Junta's intention to respect international obligations undertaken by the Republic and to cooperate with international organizations.

JUL 10 1954

FOR THE AMBASSADOR:

William L. Krieg
Counselor of Embassy

Enclosures:
1. Spanish text of note July 6, 1954
2. Spanish text of note July 7, 1954
3. Informal translation note July 6, 1954
4. Informal translation note July 7, 1954

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REPORTER

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Desp. No._____
From_____

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Encl. No. 1
Desp. No. 7
From Guatemala

F790004-1043

Spanish Text of Note from Guatemalan Foreign Minister #10155

MINISTERIO DE RELACIONES EXTERIORES
REPUBLICA DE GUATEMALA
Sección Diplomática
10155

Guatemala, 6 de Julio de 1954

Señor Embajador:

Tengo el honor de comunicar a Vuestra Excelencia, -con ruego muy atento de que se sirva ponerlo en conocimiento del ilustrado Gobierno de los Estados Unidos de América, - que de conformidad con el Pacto celebrado en la ciudad de San Salvador, el día 2 de Julio en curso, se ha restablecido en esta República la paz, el orden interno y la armonía nacional, y ha asumido el Poder una Junta de Gobierno integrada por los señores Coronel Elfego H. Monzón, quien la preside; Teniente Coronel Carlos Castillo Armas, Teniente Coronel José Luis Cruz Salazar, Teniente Coronel J. Mauricio Dubois y Mayor Enrique T. Oliva.

Pláceme manifestar a Vuestra Excelencia que es firme intención de la Junta de Gobierno mantener y acrecentar los tradicionales vínculos de cordial amistad que han unido siempre al Gobierno y al Pueblo de Guatemala con el ilustrado Gobierno y el noble Pueblo de esa gran Nación amiga.

Aprovecho la oportunidad para presentar a Vuestra Excelencia, los sentimientos de mi consideración más alta y distinguida.

(f) C. Salazar G.

Excelentísimo Señor John E. Peurifoy,
Embajador Extraordinario y Plenipotenciario de los
Estados Unidos de América.
Ciudad.

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From

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Encl. No 2
Desp. No. 7
From Guatemala

F7 [illegible] 1-1844

Spanish Text of Note from Guatemalan Foreign Minister #10248

MINISTERIO DE RELACIONES EXTERIORES
REPUBLICA DE GUATEMALA
Sección Diplomática
10248

Guatemala, 7 de julio de 1954.

Señor Embajador:

Como complemento a mi nota fechada ayer, relativa a la integración del nuevo Gobierno, tengo el honor de comunicar a Vuestra Excelencia que la Junta de Gobierno ha declarado oficialmente, su firme propósito de respetar y cumplir los compromisos internacionales adquiridos por la República de Guatemala, así como su intención de cooperar en la forma más amplia posible con las Organizaciones Internacionales, especialmente con las Naciones Unidas y la Organización de Estados Americanos.

Al rogar muy atentamente a Vuestra Excelencia se sirva poner lo anterior en conocimiento de su ilustrado Gobierno, aprovecho la oportunidad para reiterarle el testimonio de mi consideración más alta y distinguida,

(f) C. Salazar G.

Excelentísimo Señor John E. Peurifoy
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos,
C i u d a d .

jv.

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Desp. No. —
From —

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(Classification)

Encl. No. 3
Desp. No. 7
From Guatemala

F790004-1045

Informal Translation Note from Guatemalan Foreign Minister, #10155

MINISTRY OF FOREIGN RELATIONS
REPUBLIC OF GUATEMALA
Deiplomatic Section
10155

Guatemala, July 6, 1954

Mr. Ambassador:

I have the honor to communicate with Your Excellency with the request that you be so kind as to inform the illustrious Government of the United States of America that, in accordance with the Pact concluded in the city of San Salvador on July 2 of this year, peace, internal order and national harmony have been restored in this Republic, and a Junta of Government consisting of Colonel Elfego H. Monzón presiding; Lt. Colonel Carlos Castillo Armas; Lt. Colonel José Luis Cruz Salazar; Lt. Colonel J. Mauricio Dubois; and Major Enrique T. Oliva has assumed power.

I take pleasure in informing Your Excellency that it is the firm intention of the Government Junta to maintain and further the traditional ties of cordial friendship which have always united the Government and People of Guatemala with the illustrious Government and the noble People of your great Nation.

I avail myself of this opportunity to offer to Your Excellency the expression of my highest and most distinguished consideration.

(s) C. Salazar G.

His Excellency Mr. John E. Peurifoy
Ambassador Extraordinary and Plenipotenciary of the
United States of America
Guatemala

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Encl. No. 4
From Guatemala

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Desp. No. 7

F7SD004-1043

Informal Translation, Note from Guatemalan Foreign Minister, #10248

MINISTRY OF FOREIGN RELATIONS
REPUBLIC OF GUATEMALA
Diplomatic Section
10248

Guatemala, July 7, 1954

Mr. Ambassador:

Further to my note dated yesterday concerning the formation of a new Government, I have the honor to communicate to Your Excellency that the Government Junta has officially stated its firm intention to respect and fulfill the international obligations undertaken by the Republic of Guatemala as well as its intention to cooperate in the fullest way possible with the international organizations, especially the United Nations and the Organization of American States.

With the request that Your Excellency be so kind as to transmit the foregoing to your illustrious Government, I avail myself of this opportunity to renew the assurances of my highest and most distinguished consideration.

(s) C. Salazar G.

His Excellency Mr. John E. Peurifoy
Ambassador Extraordinary and Plenipotenciary of the
United States
Guatemala

jv.

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Department of State

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Control: 3408
Rec'd: July 8, 1954 8:03 p.m.

FROM: Guatemala City

TO: Secretary of State

NO: ~~Unnumbered~~ 47, July 8

DEPARTMENT OF STATE
OFFICE OF
INTER-AMERICAN AFFAIRS
JUL - 9 1954
file

PRIORITY

Junta announced shortly after 1 today Castillo Armas had been elected unanimously as new President of Junta last night in accord with terms San Salvador pact and that Colonels Cruz and Dubois had resigned. Junta thus composed of Castillo, Monzon and Oliva.

PEURIFOY

MRS/1

NOTE: Mr. Fisher (MID) notified 9 p.m., 7/8/54 FMH

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Correction memo

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Department of State

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CORRECTION 7/12/54 11 a.m.

Control: 3408
Rec'd: July 8, 1954
8:03 p.m.

INTER-AMERICAN AFFAIRS
JUL 12 1954

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FROM: Guatemala City

TO: Secretary of State

NO: 47, July 8

The serial number of this UNCLASSIFIED ~~message received as~~ UNNUMBERED should be corrected to read 47.

LAW.

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JUL 10 1954

CORRECTION

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FOREIGN SERVICE DESPATCH

SPACE

714.00(W)/7-1254

FROM AMEMBASSY, GUATEMALA — 12

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TO DECLASSIFICATION DATE OF STATE WASHINGTON. July 12, 1954

REF PER Erwin OFFICE ARA

FADRC FOI CASE NO. 740332

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FILES

For Dept. Use Only	ACTION	DEPT.
	OLI-10	OC/R-2 ARA-2
	REC'D 7/15	INFO OTHER ARMY-35 NAVY-3 & AIR-2 CIA-15 OSD-2 OCB-1

Routed to Usell 7-14-54 Taken 7-15-54

SUBJECT: Joint Weeka No. 27 for State, Army and Air Departments From SA

Date of Action Office Symbol Officer

714.00(W)/7-1254

SUMMARY

The week of July 3-9 which followed the return of Colonel Elfego MONZON and Lieutenant Colonel Carlos CASTILLO Armas from El Salvador to govern Guatemala at the head of an anti-Communist Junta was one in which uncertainties and tensions tempered the popular rejoicing over the overthrow of the Communist-front Arbenz regime. Hot-headed partisans of Castillo Armas, flushed with a sense of victory, spread unsettling rumors that the Monzón faction was a cover for the Communists and talked of driving it out by force. The Government, disorganized by the flight of Arbenz appointees, inevitably remained in a state of confusion as the Junta struggled with new appointments, tried to placate disappointed job-seekers and sought to purge unreliable elements left over from the Arbenz regime.

Towards the end of the week, matters began to settle down somewhat. The Junta on July 7 unanimously elected Castillo Armas as its permanent President and the fears of his partisans that he was being tricked by the Monzón faction began to abate. Meanwhile, the Junta had appointed a new Cabinet, seven of whose nine members were nominated by Castillo Armas, and had made a statement of policy informing the public of plans to continue the Junta government for some time until a new Constitution was drawn up and asserting that the social gains of the workers would be maintained. The state of seige was lifted and certain portions of the old Constitution were declared in force pending the drawing up of a new Constitution, although civil liberties were suspended for a further month and the old Constitution was amended to disenfranchise illiterates, who compose about three-quarters of Guatemala's population. The Junta was recognized by some ten foreign governments.

In the confusion, the mop-up of the Communist apparatus which collapsed with Arbenz' overthrow was less than fully effective. Arbenz and all of his close relatives, at least eight of his ten Cabinet members, the bulk of the old Congress, and large numbers of second-echelon government officials and labor and Communist-front organizations were in asylum in foreign embassies. Police continued to round up large numbers of "Communists," mostly farm workers from the local

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Agrarian Committees, until the Junta claimed about 2000 had overflowed the jails. However, of the hard core of the Communist party's eleven-member Political Committee, only two were accounted for: Secretary General José Manuel FORTUNY and José Alberto CARDOZA who were in the Mexican Embassy. The whereabouts of the others were unknown although there were continued but unverified reports that Carlos Manuel PELLECER, the most successful Communist agrarian agitator, was in hiding in the Escuintla area.

DOMESTIC

Castillo Armas Assumes Presidency of Junta: The Junta of Government headed by Colonel Monzón met on the night of July 7 and unanimously elected as its permanent president Lt. Colonel Castillo Armas, Guatemala's current national hero, whose rebellion had set off the train of events leading to Arbenz' overthrow. The Junta also accepted the resignation of Lt. Colonels José Luis CRUZ Salazar and Mauricio DUBOIS who had entered it with Monzón, and is therefore now composed of Castillo Armas, Monzón, and Major Enrique Trinidad OLIVA Quintana, a follower of Castillo Armas. This solution had the effect of placing Castillo Armas in the dominant position while leaving a role for the regular Army whose support will become increasingly necessary to him as his "Liberation Army" is demobilized.

The election of Castillo Armas to the Presidency of the Junta had a settling effect on the capital which had been kept in a state of tension by rumors his followers would attempt to install him in power by force. Actually, at the top level Castillo Armas and Monzón appear to have worked together harmoniously since their return and Castillo Armas had expressed himself privately as reasonably satisfied with the situation. However, some of his hot-headed and loosely-controlled followers were suspicious of Monzón, spread irresponsible rumors that he was a crypto-Communist, and talked of an uprising against him. With the elevation of Castillo Armas to the controlling position and increasing evidence that he and Monzón were working together, tension relaxed.

New Cabinet Appointed: On July 5 the Junta, still under the Presidency of Monzón, appointed a new Cabinet in which the most prominent positions went to Lic. Carlos SALAZAR Gatica, Foreign Minister, Lic. Jorge Adán SERRANO, Minister of the Interior, and Lt. Colonel Enrique CLOSE de León, Minister of Defense, the first two being nominees of Castillo Armas and the last of Monzón. The Cabinet represented viewpoints ranging from moderate to conservative, and although not distinguished, was an evident improvement from the viewpoint of U.S.-Guatemalan relations over its predecessor.

Policy of the New Government: The Junta gave a press conference on July 5 at which Monzón and Castillo Armas set forth the new government's policy in broad outline. They stated that the

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Junta was proceeding rapidly and drastically to eradicate Communism and indicated an intention to continue a Junta government for some time by announcing that a Constituent Assembly would be convoked only after the country had returned to absolute tranquility and that they did not wish this Assembly to promulgate the new Constitution precipitantly. They stated emphatically that it was absolutely false they desired to end the social conquests of the workers and that legitimate actions taken under the Agrarian Reform Law would not be reversed, although further application of the law would be suspended pending the new Constitution.

On the following day, the Junta lifted the state of seige, decreed that those portions of the old Constitution dealing with the rights of citizens, the economic system and the judiciary would remain in force pending the new Constitution, but suspended civil liberties for a further thirty-day period. The decree restoring parts of the Constitution restricted the right to vote to literate persons.

It was still too soon to tell precisely what direction the new government would take, although the early indications were that it would not only be more conservative than the Arbenz regime but also would be further to the right than many non-Communist Latin American governments. Among its first acts was the suspension of the Agrarian Reform Law until a new law is drawn up under the new Constitution, a policy which while preserving the campesino's gains under the present law appears likely to suspend further Agrarian Reform expropriations for about two years. Another of its acts has been to disenfranchise the three-quarters of Guatemala's population which are illiterate, a move which has long been considered necessary by anti-Communists who saw the Arbenz regime manipulate this vote to instal Communist elements, but which will doubtless be represented as evidence of "anti-democratic" tendencies in the new government.

There has also been a marked rapprochment between the government and the Roman Catholic Church. The Archbishop of Guatemala wrote an open telegram of congratulations on July 2 to Castillo Armas and issued a pastoral letter calling for the eradication of Communism while maintaining just social gains and eschewing personal vengeance. The Junta attended a thanksgiving mass in the Cathedral on July 6, with the exception of Castillo Armas who had returned to Chiquimulla to see his troops. It was the first time since the Reform of 1871, as far as could be determined, that the government had officially attended a mass. The fact that Castillo Armas' troops used a cross and dagger as their emblem and "God and Honor" as their motto gave a strong Catholic flavor to the new government. Meanwhile, outside of immediate government circles, religious intolerance reached such proportions that Oscar CONDE, formerly a leading anti-Communist broadcaster, devoted a radio program to blaming "the Communists and Freemasons" for the country's ills.

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Communist Apparatus Collapses But Leaders Unaccounted For: During the week it became apparent that while the elaborate Communist apparatus had collapsed with the overthrow of Arbenz, most of the key Communist leaders were still unaccounted for. Of the members of the Political Committee of the Partido Guatemalteco del Trabajo (PGT), only two have definitely been accounted for: José Manuel Fortuny, the Secretary General, and José Alberto Cardoza, Deputy and labor leader, both of whom are in the Mexican Embassy with Arbenz. The whereabouts of Víctor Manuel GUTIERREZ, Guatemala's top Communist labor leader, Carlos Manuel Pellecer, the party's fiery labor and peasant agitator, and the other Political Committee members are unknown to the Embassy and apparently also to the authorities of the new regime.

The various Juntas since Colonel Monzón took over from Colonel Díaz on June 29 have been rounding up "Communists" with more zest than effectiveness. Some 2000 persons have been jailed, according to a statement made to the press by Monzón in the presence of the Junta. However, the great mass of these are farm laborers who were the leaders of Local Agrarian Committees, especially in the Escuintla Area. Although many were undoubtedly card-carrying PGT members and potentially dangerous troublemakers in this transitional period, their imprisonment does not strike the nerve center of the party. So far as is known, no member of the PGT leadership has been found and jailed, with a possible exception of Bernardo ALVARADO Monzon, Secretary for Organization, whose arrest has been reported but not confirmed.

Perhaps the principal reason for the ineptness of both the Monzón and Castillo Armas appointees in swiftly rounding up the Communist leadership was lack of a central source of information on Communism and lack of understanding of the precise details of the Communist conspiracy in this country. The Arbenz Government, of course, did not itself document the Communist infiltration that took place, and the Communist party and Communist-front records were destroyed or not in a condition to be of immediate use.

An attempt is now being made to remedy this situation as a result of a decision by the Junta early this week to set up a special unit within the police to root out Communism, but it had not become operative at the week's end. It was originally hoped that Colonel Cruz Salazar would take over this job, for which he is well qualified as a former G-2 officer, when he stepped down from the Junta, but it now appears that he will be named as Ambassador to Washington.

Moves Toward Exposing Criminal Activities of Arbenz Regime: During the week, the Junta took several moves which should have the effect of exposing to the view of the Guatemalan public and the world the criminal activities and plundering of the Arbenz regime. It announced its intention to publish at an early date

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a "White Paper" detailing the torture and liquidation of anti-Communists by the Arbenz police. Charges against Arbenz and Major Alfonso MARTINEZ of complicity in the 1949 assassination of Colonel Fransisco Javier ARANA, Chief of the Armed Forces, were filed in a local court by Lic. José María PALACIOS. The Junta issued a decree freezing the personal property of 100 of the former regime, including Arbenz and the Toriello brothers, pending investigation to determine if they had enriched themselves improperly.

FOREIGN AFFAIRS

New Government Seeks U.S. Recognition: In two notes dated July 6 and July 7, the Junta notified the U.S. Government through the Embassy of the establishment of the new government and of its intention to respect and fulfill its international obligations. U.S. recognition had not been accorded at the end of the week, but the Junta claimed it had been recognized by eleven other foreign ministries: El Salvador, Honduras, Nicaragua, Costa Rica, Venezuela, Peru, the Dominican Republic, Nationalist China, Franco Spain, France and the Holy See.

Junta Pledges to Support Western Powers: In its July 5 press conference the Junta stated its intentions in foreign relations would be to "support the policy followed by the Western Democracies." It said it would support the UN and the OAS, re-enter the Organization of Central American States (ODECA) and maintain good relations with every American country, not interfering in the internal affairs of any. It stated specifically it would not enter into relations with any Iron Curtain country.

MILITARY

Military Reaction to Present Situation: Although it is still too early to evaluate the real attitude of the higher ranking officers who are being carried over from the Arbenz Regime, present indications are that the majority are only too willing to hop on the Castillo Armas bandwagon in spite of the fact that many will undoubtedly be relegated to subordinate positions. Key military assignments are now in the process of being changed, indicating that Castillo Armas was not entirely satisfied with those made by the Monzón Junta. Already Colonel Víctor Vicente QUILO, who succeeded Colonel Enrique PARRINELLO as Chief of Staff, has in the interim been replaced by Lt. Colonel Oscar MENDOZA, former Attaché in Cuba, and brother of Colonels Miguel and Rodolfo Mendoza of Castillo Armas' forces.

FOR THE AMBASSADOR:

cc: CA Missions
Contributor: Col.C.A.McCormick.

William L. Krieg
Counselor of Embassy.

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